



Office of the Director

UNITED STATES
OFFICE OF PERSONNEL MANAGEMENT
WASHINGTON, D.C. 20415

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THE SECRETARY OF DEFENSE
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January 16, 1985

The Honorable Caspar W. Weinberger
Secretary of Defense
The Pentagon
Washington, DC 20301

Dear Mr. Weinberger:

As you are aware, I have been concerned about the national security and suitability investigations programs of the Department of Defense since even before I met with you on July 1, 1981 to discuss such matters. Under Executive Order 10450, I am required to oversee the Federal civilian personnel security programs, and under Executive Order 10577 (as amended in E.O. 12107), I am required to oversee and directly administer the civil service suitability programs. As I mentioned in my letter of January 27, 1982 to Mr. Taft, this led OPM to begin evaluation of the DOD security program. The appraisal evaluation process has now reached a stage where I feel it is important to discuss directly with you some serious matters which concern me.

A Report of the Committee on Appropriations of the House of Representatives, dated October 20, 1983, also is relevant to my concerns. That Report contains the following language:

"The Committee believes that immediate action is required by the Department of Defense to correct these longstanding and potentially damaging deficiencies in personnel and industrial security. The Committee is therefore directing that the Secretary of Defense come to an agreement with the Director of Central Intelligence and the Director of the Office of Personnel Management as to what constitutes an adequate cost effective background investigation for military, civilian and industrial employees obtaining the various levels of security clearance."

In response to that directive, I am sending a copy of this letter to the Director of the CIA.

In a more recent development, Congress in enacting the DOD Authorization Act of 1985 included a rider exempting the Department of Defense from compliance "...before July 1, 1985...with...Basic Installment 311 of the Federal Personnel Manual...concerning personnel suitability, personnel security, and personnel investigations..." DOD also has placed a moratorium on implementing Installment 311. Congress acted in response to concerns expressed by Congresswoman Patricia Schroeder. The Committee was misled by correspondence which was offered as if it were the Department of Defense's

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official position on Basic Installment 311. This correspondence, dated April 8, 1984 over the signature of General Stillwell, was issued without prior concurrence and coordination among various affected Department of Defense officials. In a meeting with Dr. Korb, Mr. Cooke, General Stillwell, and Mr. Calhoun of DOD an agreement was reached between OPM and DOD concerning the Department's implementation of Basic Installment 311. This agreement was satisfactory to Dr. Korb, Mr. Cooke, and Mr. Calhoun, and resolved most of the outstanding differences between OPM and DOD.

Unfortunately, in spite of this group's best efforts to set the record straight, General Stillwell's position was misconstrued as the Department's official position. Of course, this was in direct contravention of the Administration's position. In a letter to the Chairman of the Senate Armed Services Committee, Director Stockman concurred with me in noting that the "Administration strongly opposes...and urges deletion" of those sections of the Bill which have (since then) been partially enacted as Section 1304 of the 1985 Defense Authorization Act. We believe this rider represents "an unnecessary infringement on Presidential authority." That the President ultimately decided, in the overall context of the Act, to sign the bill should not be construed as a reversal of the Administration's strong opposition to and dissatisfaction with these provisions.

The basic issues raised by DOD regarded suitability, rather than security. Two specific points were raised by those urging exemption from OPM's government-wide suitability authority: "implementation" of Installment 311 on suitability should await the outcome of NSDD-84 deliberations over personnel security; and, Installment 311 suitability provisions would impose significant administrative and financial burdens on DOD.

The first objection is entirely without merit. Both the drafters of and the participants in the NSDD-84 and SIG(I) review processes--including the DOD representatives--have agreed that NSDD-84 is concerned only with standards and requirements for access to classified information, not suitability issues. NSDD-84 did not suspend OPM's continued responsibility for and authority over the much broader governmentwide civilian suitability program, nor did it authorize agencies to suspend compliance with existing OPM security requirements pending the outcome of NSDD-84. Installment 311 simply clarifies how OPM already interprets its suitability guidelines and simply recodifies already existing security criteria. There is no reasonable basis for concluding that recommendations resulting from NSDD-84 deliberations would affect government-wide suitability requirements, nor that Installment 311 would inhibit changes to the security program under the NSDD-84 process.

As to the second point, we recognize that there may well be some additional costs and burdens resulting from the clarifications now made manifest to DOD in Basic Installment 311. We find, however, that the cost estimates noted in General Stillwell's correspondence were based on erroneous assumptions and have been greatly overstated. We have discussed with Dr. Korb how these costs could be minimized with cooperation between OPM and DOD. I believe that the costs resulting from Basic Installment 311 are extremely modest in comparison with the benefits and importance of improvements in this area. In any event, OPM stands

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ready to issue the clarifying language agreed to in my meeting with Dr. Korb to resolve the outstanding concerns of DOD.

As noted, the House Report on the 1984 Defense Appropriation Bill concluded that "immediate action is required...to correct...these long standing and potentially damaging deficiencies in personnel and industrial security." Unfortunately, it appears to us that this may in fact be correct. Fortunately, Installment 311 provides standards and models against which DOD and other agencies can measure the effectiveness of their own programs and upgrade them, while allowing for broad flexibility and agency discretion consistent with budgetary constraints.

I have every expectation that the Department of Defense shall be able to comply fully with Basic Installment 311 as of July 1, 1985. If there are any outstanding issues, differences, or concerns that may still prove troublesome to the Department, and which may require additional clarification, please do not hesitate to let me know at the earliest opportunity. I especially would appreciate the opportunity to discuss the status of DOD's security program with you and the Director of Central Intelligence at your earliest convenience.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Donald J. Devine', with a stylized flourish at the end.

Donald J. Devine
Director

CC: Honorable William J. Casey
Director
Central Intelligence Agency

Honorable Lawrence J. Korb
Assistance Secretary for
Manpower, Installations and Logistics
Department of Defense